



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET ITEM: A-1	BOARD MEETING: August 16, 2011	PROJECT NUMBER: 07-058
PERMIT HOLDERS(S): Phoenix Foundation of Southern Illinois, Inc. Phoenix Medical Center, Inc.		
FACILITY NAME and LOCATION: Phoenix Medical Center, Carmi		

STATE AGENCY REPORT
PERMIT RENEWAL REQUEST

I. Background

On July 24, 2007, the State Board approved Project #07-058. The permit authorized the establishment of Phoenix Medical Center, a 10-bed acute care hospital in Carmi. The State Agency notes the project is obligated, and the current required project completion date is August 31, 2011. Project cost: \$2,807,000.

The State Agency notes the permit holders submitted the permit renewal request on June 29, 2011. This submittal was in accordance with 77 IAC 1130.740(d), which states that renewal requests must be received by the State Agency at least 45 days prior to the permit expiration date. A \$500.00 permit renewal fee accompanied the permit renewal request.

II. Findings

The State Agency notes this is the third renewal request for this project and it appears the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal.

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III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of August 31, 2013. This would extend the project's completion date by twenty four months, from August 31, 2011 to August 31, 2013.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the relocation of eth service entrance to the building is complete, temporary back up environmental/electrical systems have been installed, and obsolete additions to the existing building have been eliminated. The entire roofing system has been replaced, and interior restoration has been initiated.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the following events occurred, which delayed completion of the project:
- The permit holders state the project has experienced delays with equipment delivery/installation, receipt of grant funding to proceed with the project, and inclement weather conditions. These delays, in turn, resulted in scheduling conflicts with contractors that were initially engaged in the proposed project, and had to move to other projects until the delays were resolved.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$1,088,756 (38.7% of the total project cost) has been expended to date, and that sufficient financial resources exist to complete the proposed project.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the approved permit amount of \$2,807,000.

IV. Project Description & Other Background Information

The permit authorized the establishment of Phoenix Medical Center, a 10-bed acute care hospital in Carmi. Project cost: \$2,807,000.

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Permit Issuance Date:	July 24, 2007
Original Project Completion Date:	February 28, 2008
Project Obligation Date:	December 31, 2008
Extended Completion Date: (first renewal)	August 31, 2009 (18 months)
Extended Completion Date: (second renewal)	August 31, 2011 (24 months)
Proposed Project Completion Date:	August 31, 2013 (24 months)

V. **Applicable Rules for Permit Renewal Requests**

77 IAC 1130.740 specifies that a permit holder may request a change in the approved project completion date by applying for a permit renewal.

77 IAC 1130.740(b) states that failure to complete a project or to renew a permit within the prescribed timeframes will subject the permit holders to the sanctions and penalties provided in the Act and this Subpart.

77 IAC 1130.740(c) states that a permit renewal will commence on the expiration date of the original or renewed completion period.

77 IAC 1130.740(d) states that the State Board must be in receipt of a permit renewal request at least 45 days prior to the expiration date of the completion period, and include the following: 1) the requested completion date; 2) a status report on the project detailing what percent has been completed and a summary of project components yet to be finished and the amount of funds expended on the project to date; 3) a statement as to the reasons why the project has not been completed; and 4) confirmatory evidence by the permit holders' authorized representative that the project's costs and scope are in compliance with what the State Board approved and that sufficient financial resources are available to complete the project.

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77 IAC 1130.740(e) states IDPH will review the request and prepare a report of its findings. If the findings are that the request is in conformance with all HFPB criteria, and if this is the first request for this project, then the request, IDPH's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFPB, will approve, deny or refer the request to the HFPB for action. If IDPH finds that all criteria are not positive or, if this is not the first request for this project, or if the Chairman refers this to HFPB for action, then HFPB will evaluate the information submitted to determine if the project has proceeded with due diligence (as defined in 77 IAC 1130.140). Denial of a permit renewal request constitutes HFPB's Notice of Intent to revoke a permit and the permit holders will be afforded an opportunity for an administrative hearing.

VI. Other Information

Appended to this report are the following: the permit holders' documents for a permit renewal, and a copy of the original State Agency Report.